

Before the
Federal Communications Commission
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Application by Verizon New England,)
Inc. Bell Atlantic Communications,)
Inc.(d/b/a Verizon Long Distance),)
NYNEX Long Distance Company,)
(d/b/a Verizon Enterprise)
Solutions)and Verizon Global)
Networks, Inc., for Authorization)
to Provide In-Region,InterLATA)
Services in Massachusetts)

CC Docket No. 00-176

COMMENTS
REGARDING APPLICATION BY VERIZON NEW ENGLAND
FOR AUTHORIZATION TO PROVIDE IN-REGION,
INTERLATA SERVICES IN MASSACHUSETTS

SUBMITTED BY

Keep America Connected
League of United Latin American Citizens
National Association of Commissioners for Women
National Puerto Rican Coalition
National Urban League
United Homeowners Association

October 16, 2000

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The undersigned public interest, minority and consumer organizations hereby support the Application by Verizon New England, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) and Verizon Global Networks, Inc., (hereinafter referred to as Verizon) filing requesting FCC authorization to provide in-region, interLATA services in Massachusetts. We urge the Commission to undertake an expeditious review and approval of Verizon's 271 application.

We are brought together in our support for Verizon's Massachusetts 271 application as being in the public interest and of real benefit to telecommunications consumers in the State of Massachusetts. The primary goal of the Telecommunications Act of 1996 is to promote competition in the telecommunications marketplace. Verizon has demonstrated that it has met the tests of the Act and its entry as a long distance competitor will open the floodgates of competition in Massachusetts.

I. Statement of Interests

Keep America Connected! (KAC) is an organization comprised of groups whose demonstrated goals involve promoting a variety of telecommunications issues. The primary goal of KAC is that regardless of income, race, disability, age, ethnicity or geographical location, affordable access to the use of the modern telecommunications infrastructure and services should be available. This goal is best achieved through the rapid development of a fully competitive marketplace that ensures that

consumers across the nation will have access to more services at lower prices.

League of United Latin American Citizens (LULAC) is the oldest and largest Latino civil rights organization in the United States. It is committed to ensuring Latinos are not left behind as the technological revolution moves forward. LULAC advances the economic condition, educational attainment, political influence, health and civil rights of Hispanic Americans through community-based programs operating at more than 700 LULAC councils nationwide. And, with nearly 32 million Hispanics in the United States, representing over 10 percent of the labor force and nearly 40 percent of all minority-owned businesses, Hispanics American cannot afford to be left behind.

National Association of Commissions for Women (NACW) represents local commissions established to promote the interests of women in cultural, social, and economic fields. NACW supports policies and programs that empower women to make informed choices about all aspects of their lives. NACW has been active in the debate on telecommunications reform, supporting legislative and regulatory initiatives to encourage competition, thereby creating new options and services for women as consumers and in their businesses.

National Puerto Rican Coalition (NPRC) represents the interests of 7 million Puerto Rican United States citizens through a network of over 1,000 community-based organizations and leaders. NPRC's mission is to systematically strengthen and

enhance the social, political, and economic well-being of Puerto Ricans throughout the United States and in Puerto Rico with a special focus on the most vulnerable. To accomplish this mission, NPRC has identified strategic goals that support the organization's efforts to further the empowerment of the Puerto Rican community at the public and private sectors level, and enhance the image of the Puerto Rican community.

National Urban League, Inc. (NUL), founded in 1910, is the premier social service and civil rights organization in America. The League is a nonprofit, community-based organization headquartered in New York City, with 115 affiliates in 34 states and the District of Columbia. The mission of the National Urban League is to assist African Americans in the achievement of social and economic equality. The League implements its mission through advocacy, bridge building, program services and research.

United Homeowners Association (UHA) is a national, nonprofit, membership based organization that represents the interests of homeowners in Washington, D.C. UHA has an active communications advocacy program on behalf of its members. UHA has promoted the interests of homeowners in telecommunications to Congress, before the FCC and in the courts.

II. Comments

The Commenters support Verizon's Massachusetts application with the Commission. The application comes after Verizon has worked diligently to meet a 14-point competitive checklist specified in the Telecommunications Act of 1996. This checklist

contains the criteria regional Bell companies must honor to open their local networks to competitors. The Commenters refer to the independent audit administered by KPMG Peat Marwick that documented the company had met or exceeded 99 percent of their testing criteria and conclude that Verizon has met the requirements of this checklist. Accordingly, Verizon should be granted federal permission to offer long-distance service to Massachusetts consumers.

Rapid deployment of a fully competitive marketplace will ensure that consumers in Massachusetts and across the nation will have affordable access to modern telecommunications products and services. It is clear that Verizon has opened the Massachusetts market to local competition. Currently, 700,000 Massachusetts customers are served by local telephone competitors. Competitors have access to 95 percent of residence lines and 96 percent of business lines through current and pending collocation arrangements. In addition, the Massachusetts Department of Telecommunications and Energy (DTE) has been carefully examining Verizon's performance for over 16 months and they have supervised exhaustive public proceedings.

The Commenters believe there is ample evidence that Verizon's application is stronger than that those approved by the FCC for New York and Texas. KAC notes that since Verizon (formerly Bell Atlantic) was granted permission to provide long-distance service in New York, more than one million consumers signed up for Verizon's services in just eight months. Indeed,

the Telecommunications Research and Action Center's (TRAC) study of telephone competition in New York, conducted in September 2000, found that New York consumers saved up to \$217 million as the result of increased telephone competition (see attached). The study goes on to state that approximately one million residential customers have switched to Verizon for their long distance service while an equal number have switched their local service provide to AT&T, MCI or one of the other competitive local service providers.

Other positive outcomes of allowing Verizon into the long distance market has been their introduction of simpler and less expensive plans than most other carriers and the launching of innovative packages. For example, in New York, Verizon has introduced several calling plans with rates as low as 5 cents a minute during off-peak hours as well as plans with no minimum charges. The company has also displayed their commitment to serve its residential consumers' unique needs by introducing affordable international rates for calls to the Caribbean which has proved to be especially popular. In addition, they have extended off peak hours by an additional three hours (from 5 p.m to 8 a.m. instead of the usual 7 p.m. to 7 a.m.) which allows consumers to make more calls during times that make sense for them.

The introduction of these affordable, competitive and innovative plans have been particularly attractive to low-volume customers that most long distance companies find unattractive. The Commenters are especially pleased that Verizon offers a low-

cost plan with no monthly fees or minimum usage fees for low volume users. This calling plan (known as the Timeless Calling Plan) provides consumers with a flat, low rate of 10 cents per minute and customers are automatically enrolled in this plan if they fail to select a more customized calling plan. This automatic enrollment in the Timeless Calling plan is a consumer-friendly action, unlike the practice of other long distance companies who charge customers higher "basic" rates if they do not enroll in a more compatible calling plan.

The Commenters anticipate that the company will uphold the precedent set in New York and offer residential consumers in Massachusetts calling plans that are simpler and less expensive than most carriers as well as calling plans that are innovative and which meet the unique calling needs and patterns of Massachusetts consumers.

The Commenters believe the Verizon application should be approved on its merits and for its ability to bring reality to the competitive goals of the 1996 Act. Massachusetts consumers deserve the opportunity of choice for their local, long distance and advanced telephony services. It is not in the public interest to delay or deny for any considerable period of time, the entry of a new and major competitor for long distance services in Massachusetts. As in New York, Massachusetts consumers will recognize immediate benefits from competition, once Verizon begins to offer long distance service in the state.

III. Conclusion

The Commenters again assert that the Verizon Massachusetts long distance application should be approved. According to comprehensive tests conducted by KPMG Peat Marwick and the close scrutiny of the Massachusetts Department of Telecommunications and Energy -- Verizon and Massachusetts are ready for competition. The Commenters trust that the Commission will come to this same conclusion and take positive steps to offer Massachusetts consumers the benefits of competition that the 1996 Act envisioned. The Commission must look at the pro-competitive benefits of Verizon's Massachusetts long distance application and quickly approve it.

Respectfully submitted,

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Telephone Competition Rings Up Big Savings For New York Consumers

***New Yorkers Save About \$220 Million A Year
TRAC Urges Industry & Regulators To Speed Up Competition***

Washington, D.C., September 6, 2000 – Full telephone competition saves consumers big money according to a new study completed by the Telecommunications Research and Action Center (TRAC) of the impact of deregulation in New York. New York is the first state where unlimited local and long distance competition has been allowed since the passage of the Telecommunications Act of 1996.

New telephone competition in New York has resulted in annual consumer savings of about \$220 million, according to the TRAC study. About one-half of the savings went to residential long distance customers and the other half to local telephone service customers. "Competition is working in New York," according to Samuel Simon, Chairman of TRAC.

Earlier this year, TRAC released residential long distance and local price comparison charts for New York. The long distance chart included plans offered by Verizon (Bell Atlantic) and other major long distance carriers. The company won approval to enter the long distance business in December 1999. The local chart compared plans offered by Verizon with those offered by AT&T, MCI, RCN, MetTel, and Broadview Networks. TRAC's price comparisons are based on calling baskets that include telephone calls, directory assistance, calling card calls, regional toll calls, extra services such as call waiting and *69, and federal telephone fees.

“We came up with a range of savings based on TRAC’s calling baskets,” according to Simon. “Consumers who switched to Verizon for their long distance service will on average save between \$46 and \$120 a year. Consumers who now get their local service from AT&T, MCI or one of the other local service companies are saving between \$66 and \$97 a year on average.”

“More precise estimates of long distance savings can be made by looking at actual customer bills,” Simon added. “If most of those who switched to Verizon for long distance service are regular deal hunters, people who take TRAC’s advice and always shop for the best plan, average savings will be in the low-end of the range. If Verizon’s marketing is reaching those who have not done a long distance ‘check-up’ for a while or those who are still paying basic rates, then average savings will be higher. Savings are also affected by the volume of calls. Consumers with a high volume of local calls on basic service will generally realize greater savings by switching, while customers with more typical usage often can save more by staying with Verizon. Any way you cut it, consumers in New York are way ahead of those in the rest of the country.”

New choices for consumers for local and long distance service are the result of the 1996 Telecommunications Act which opened local markets to competition and set the rules for local (former Bell) telephone company entry into the long distance market.

It is taking much too long for competition to reach every state. Unfortunately, local and long distance companies tend to blame each other for the delays. In one state the local company

slow rolls the process, while in another, the long distance company may cause regulatory havoc. We have a system here that seems to reward gridlock. TRAC wanted to know what this regulatory gridlock was costing consumers. It is clear that consumers are saving millions of dollars on their local and long distance bills in New York, where competition is robust.

It is time for Congress to come up with a new solution. The state-by-state process is not working for consumers.

ABOUT TRAC

TRAC is a non-profit, tax-exempt consumer organization that works to help consumers make informed decisions about their long distance options. TRAC has published **TeleTips™** for the past fourteen years. TRAC also provides an Internet-based long distance rate comparison tool called WebPricer on its web site at <http://www.trac.org/>.

The **TeleTips™** New York residential charts include a complete listing of the national long distance residential plans and local service options. To obtain both New York charts, consumers should send \$7.50 and a self-addressed, stamped envelope (SASE) with 77 cents postage to TRAC, P.O. Box 27279, Washington, DC 20005. To obtain either the long distance or local chart, consumers should send \$5 and a SASE with 55 cents postage to the same address. Please specify which chart you would like.